(R) 127

July 14, 1981

BUTTER

Q: Can you tell us what the U.S. is planning to do about its butter surplus?

A: The U.S. Commodity Credit Corporation, part of the Department of Agriculture, has accumulated a stock of more than 200,000 tons of butter. This stock must either be marketed or stored. Given the high cost of storage, the Administration is actively exploring various marketing alternatives. The question of how to dispose of some or all of the butter is being reviewed by the concerned U.S. agencies, including the State Department. As part of this review we have consulted with the world's major butter exporters. The press has recently given particular attention to the fact that we spoke to New Zealand, but we have also spoken to the EC. We have not yet decided how to proceed.

DEPARTMENT OF STATE A/CDC/MR
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